



***GREENFIELD EXEMPTED VILLAGE
SCHOOL DISTRICT***

HIGHLAND COUNTY

SINGLE AUDIT

For the Fiscal Year Ended June 30, 2008

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA
Auditor of State

Board of Education
Greenfield Exempted Village School District
200 North Fifth Street
Greenfield, Ohio 45123

We have reviewed the *Independent Accountant's Report* of the Greenfield Exempted Village School District, Highland County, prepared by J.L. Uhrig and Associates, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Greenfield Exempted Village School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 22, 2009

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GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

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Independent Accountant's Report

Board of Education
Greenfield Exempted Village School District
200 North Fifth Street
Greenfield, Ohio 45123

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District (the District), Highland County as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2009 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Board of Education
Greenfield Exempted Village School District
Independent Accountant's Report

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

March 23, 2009

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Greenfield Exempted Village Schools (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The School District's assets exceeded its liabilities at June 30, 2008 by \$26,788,114.
- The School District's net assets of governmental activities decreased \$466,832.
- General revenues accounted for \$16,472,994 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$3,797,157 or 19 percent of total revenues of \$20,270,151.
- The School District had \$20,736,983 in expenses related to governmental activities; \$3,797,157 of these expenses was offset by program specific charges for services and sales and operating grants and contributions.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Greenfield Exempted Village Schools' financial situation as a whole and also give a detailed view of the School District's financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

The analysis of the School District as a whole begins with the Statement of Net Assets and the Statement of Activities. These reports provide information that will help the reader to determine whether the School District is financially improving or declining as a result of the year's financial activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the School District's financial well-being. Some of these factors include the condition of capital assets, and required educational support services to be provided.

In the Statement of Net Assets and the Statement of Activities, the School District has only one kind of activity.

- Governmental Activities. Most of the School District's programs and services are reported here including instruction and support services.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District's funds begins on page 7. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The School District's major fund is the General Fund.

Governmental Funds. Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational support services. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds. The School District's only proprietary fund is an internal service fund. Since the internal service fund operates on a break-even, cost-reimbursement basis, the School District reports it as a proprietary fund using the full accrual basis of accounting. Since the internal fund exclusively benefits governmental functions, it has been included with governmental activities in the government-wide financial statements.

Fiduciary Funds. Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's fiduciary funds are agency funds which are used to maintain financial activity of the School District's Student Managed Activities, and private purpose trust funds which are used to maintain the financial activity of the School District's Scholarship Funds.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE

As stated previously, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2008 compared to 2007.

Table 1
Net Assets

	Governmental Activities	
	2008	2007
Assets:		
Current Assets	\$ 13,125,671	\$ 12,036,979
Capital Assets, Net	<u>25,541,489</u>	<u>26,336,095</u>
Total Assets	<u>38,667,160</u>	<u>38,373,074</u>
Liabilities:		
Current and Other Liabilities	7,637,485	6,825,379
Long-Term Liabilities	<u>4,241,561</u>	<u>4,292,749</u>
Total Liabilities	<u>11,879,046</u>	<u>11,118,128</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	22,841,489	23,491,095
Restricted	1,780,998	1,730,686
Unrestricted	<u>2,165,627</u>	<u>2,033,165</u>
Total Net Assets	<u>\$ 26,788,114</u>	<u>\$ 27,254,946</u>

Total net assets of the School District as a whole decreased \$466,832. The primary reasons for the increase in current assets were due to an increase of equity in pooled cash and cash equivalents of \$589,593 and an increase in property taxes receivable of \$328,023. The decrease in capital assets was primarily due to depreciation expense of \$910,230. The increase in current and other liabilities is due to an increase in accrued wages and benefits, intergovernmental payable, and deferred revenue.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Table 2 shows the changes in net assets for 2008 compared to 2007.

Table 2
Change in Net Assets

	Governmental Activities 2008	2007
Revenue		
Program Revenues:		
Charges for Services and Sales	\$ 970,661	\$ 911,301
Operating Grants and Contributions	2,784,886	2,787,020
Capital Grants and Contributions	41,610	-
Total Program Revenues	<u>3,797,157</u>	<u>3,698,321</u>
General Revenue:		
Income Taxes	1,919,052	1,892,844
Grants and Entitlements, Not Restricted for Specific Programs	10,852,811	10,703,675
Gifts and Donations, Not Restricted for Specific Programs	-	50,452
Investment Earnings	136,504	203,735
Miscellaneous	231,818	331,914
Property Taxes	3,332,809	3,231,151
Total General Revenues	<u>16,472,994</u>	<u>16,413,771</u>
Total Revenues	<u>20,270,151</u>	<u>20,112,092</u>
Program Expenses		
Instruction		
Regular	10,532,442	9,831,204
Special	1,466,529	1,572,903
Vocational	506,750	518,185
Other	890,560	716,274
Support Services		
Pupils	754,311	762,704
Instructional Staff	265,455	265,768
Board of Education	62,137	99,669
Administration	1,698,972	1,607,371
Fiscal	414,487	380,451
Operation and Maintenance of Plant	1,853,426	1,727,225
Pupil Transportation	1,153,223	1,093,876
Operation of Non-Instructional Services	654,651	665,779
Extracurricular Activities	343,390	350,937
Interest and Fiscal Charges	140,650	146,721
Total Expenses	<u>20,736,983</u>	<u>19,739,067</u>
Increase (Decrease) in Net Assets	(466,832)	373,025
Net Assets at Beginning of Year	27,254,946	26,881,921
Net Assets at End of Year	<u>\$ 26,788,114</u>	<u>\$ 27,254,946</u>

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Governmental Activities

Charges for services and sales comprised 5 percent of revenue for governmental activities, while operating grants and contributions comprised 14 percent of revenue for governmental activities of the School District for fiscal year 2008. Income tax revenue comprised 9 percent of revenue for governmental activities. Property tax revenue comprised 16 percent of revenue for governmental activities for fiscal year 2008. Grants and entitlements, not restricted for specific programs, comprised 54 percent of revenue for governmental activities.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 51 percent of governmental program expenses. Regular instruction increased \$701,238 from 2007 to 2008 due to a decrease in Title I funding and increased health care costs.

The Statement of Activities shows the cost of program services and the charges for services, sales and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by unrestricted State entitlements and other general revenues.

Table 3
Governmental Activities

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program Expenses				
Instruction:				
Regular	\$ 10,532,442	\$ 9,686,110	\$ 9,831,204	\$ 9,153,543
Special	1,466,529	583,261	1,572,903	547,896
Vocational	506,750	489,446	518,185	502,748
Other	890,560	860,064	716,274	694,854
Support Services:				
Pupils	754,311	724,788	762,704	674,058
Instructional Staff	265,455	252,050	265,768	215,992
Board of Education	62,137	60,009	99,669	96,689
Administration	1,698,972	1,534,407	1,607,371	1,491,397
Fiscal	414,487	398,671	380,451	364,402
Operation and Maintenance of Plant	1,853,426	1,706,159	1,727,225	1,624,672
Pupil Transportation	1,153,223	522,956	1,093,876	473,634
Operation of Non-Instructional Services	654,651	(89,251)	665,779	55,871
Extracurricular Activities	343,390	70,506	350,937	26,744
Interest and Fiscal Charges	140,650	140,650	146,721	118,246
Total	<u>\$ 20,736,983</u>	<u>\$ 16,939,826</u>	<u>\$ 19,739,067</u>	<u>\$ 16,040,746</u>

THE SCHOOL DISTRICT'S FUNDS

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$20,374,938 and expenditures and other financing uses of \$20,081,408. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund increased by \$258,393. This increase is due mainly to increased revenues from tuition and fees, intergovernmental revenues and property taxes which were offset by increases in regular instruction expenses.

Greenfield Exempted Village School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008
 (Unaudited)

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2008, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$2,039,335 and increased appropriations by \$1,779,059. The General fund's ending unobligated cash balance was \$2,524,710. The increase in estimated resources was due to receiving more than expected intergovernmental revenue. The increase in expenditures is due mainly to the increase in regular instruction.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2008, the School District had \$25,541,489 invested in its capital assets. Table 4 shows the fiscal year 2008 balances compared to 2007.

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	\$ 42,231	\$ 42,231
Land Improvements	160,572	180,843
Buildings and Improvements	24,229,510	24,992,733
Furniture and Equipment	586,372	630,150
Vehicles	522,804	490,138
Totals	\$ 25,541,489	\$ 26,336,095

Changes in capital assets from the prior year resulted from the addition of furniture and equipment and vehicles and depreciation expense. See Note 7 to the basic financial statements for more detailed information related to capital assets.

Debt

At June 30, 2008, the School District had one outstanding General Obligation Bond in the amount of \$2,700,000. This bond was issued for the purpose of improvements. See Note 13 to the basic financial statements for more detailed information relating to debt.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the School District's financial condition and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Joe Smith, Treasurer, Greenfield Exempted Village Schools, 200 North Fifth Street, Greenfield, Ohio 45123.

Greenfield Exempted Village School District
Statement of Net Assets
June 30, 2008

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 6,211,046
Intergovernmental Receivable	328,621
Taxes Receivable	6,586,004
Noncurrent Assets:	
Non-Depreciable Capital Assets	42,231
Depreciable Capital Assets, net	25,499,258
<i>Total Assets</i>	38,667,160
LIABILITIES:	
Current Liabilities:	
Accounts Payable	57,985
Accrued Wages and Benefits	1,363,876
Intergovernmental Payable	448,939
Accrued Interest Payable	11,483
Matured Compensated Absences Payable	18,797
Deferred Revenue	5,694,226
Claims Payable	42,179
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	210,262
Due in More Than One Year	4,031,299
<i>Total Liabilities</i>	11,879,046
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	22,841,489
Restricted for Debt Service	701,764
Restricted for Capital Outlay	312,235
Restricted for Other Purposes	766,999
Unrestricted	2,165,627
<i>Total Net Assets</i>	\$ 26,788,114

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 10,532,442	\$ 309,163	\$ 537,169	\$ -	\$ (9,686,110)
Special	1,466,529	41,479	841,789	-	(583,261)
Vocational	506,750	17,304	-	-	(489,446)
Other	890,560	30,496	-	-	(860,064)
Support Services:					
Pupils	754,311	25,671	3,852	-	(724,788)
Instructional Staff	265,455	8,897	4,508	-	(252,050)
Board of Education	62,137	2,128	-	-	(60,009)
Administration	1,698,972	53,583	110,982	-	(1,534,407)
Fiscal	414,487	13,640	2,176	-	(398,671)
Operation and Maintenance of Plant	1,853,426	55,783	49,874	41,610	(1,706,159)
Pupil Transportation	1,153,223	41,695	588,572	-	(522,956)
Operation of Non-Instructional Services	654,651	223,036	520,866	-	89,251
Extracurricular Activities	343,390	147,786	125,098	-	(70,506)
Interest and Fiscal Charges	140,650	-	-	-	(140,650)
<i>Total Governmental Activities</i>	<u>\$ 20,736,983</u>	<u>\$ 970,661</u>	<u>\$ 2,784,886</u>	<u>41,610</u>	<u>(16,939,826)</u>
General Revenues:					
Taxes Levied for:					
General Purposes					2,950,905
Debt Service					319,710
Classroom Facilities					62,194
Income Taxes					1,919,052
Grants and Entitlements, Not Restricted to Specific Programs					10,852,811
Investment Earnings					136,504
Miscellaneous					<u>231,818</u>
<i>Total General Revenues</i>					<u>16,472,994</u>
<i>Change in Net Assets</i>					(466,832)
<i>Net Assets Beginning of Year</i>					<u>27,254,946</u>
<i>Net Assets End of Year</i>					<u>\$ 26,788,114</u>

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2008

	<u>General</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 3,151,221	\$ 2,219,219	\$ 5,370,440
Interfund Receivable	704,405	-	704,405
Intergovernmental Receivable	-	328,621	328,621
Taxes Receivable	6,137,874	448,130	6,586,004
<i>Total Assets</i>	<u>\$ 9,993,500</u>	<u>\$ 2,995,970</u>	<u>\$ 12,989,470</u>
LIABILITIES:			
Accounts Payable	\$ 55,110	\$ 2,875	\$ 57,985
Accrued Wages and Benefits	1,325,081	38,795	1,363,876
Interfund Payable	-	704,405	704,405
Intergovernmental Payable	417,634	31,305	448,939
Matured Compensated Absences Payable	14,328	4,469	18,797
Deferred Revenue	5,330,216	460,732	5,790,948
<i>Total Liabilities</i>	<u>7,142,369</u>	<u>1,242,581</u>	<u>8,384,950</u>
FUND BALANCES:			
Reserved:			
Reserved for Encumbrances	592,958	245,411	838,369
Reserved for Property Taxes	148,209	19,354	167,563
Unreserved, Undesignated, Reported in:			
General Fund	2,109,964	-	2,109,964
Special Revenue Funds	-	502,868	502,868
Debt Service Funds	-	679,398	679,398
Capital Projects Funds	-	306,358	306,358
<i>Total Fund Balances</i>	<u>2,851,131</u>	<u>1,753,389</u>	<u>4,604,520</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 9,993,500</u>	<u>\$ 2,995,970</u>	<u>\$ 12,989,470</u>

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2008

Total Governmental Fund Balances \$ 4,604,520

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 25,541,489

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Taxes	64,766	
Intergovernmental	31,956	

Total		96,722
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An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 798,427

Interest payable is not recorded in the governmental funds, but is recorded in the statement of net assets. (11,483)

Long-Term Liabilities, including bonds and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	(1,541,561)	
General Obligation Bonds	(2,700,000)	

Total		(4,241,561)
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Net Assets of Governmental Activities **\$ 26,788,114**

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Property Taxes	\$ 3,012,591	\$ 390,015	\$ 3,402,606
Income Tax	1,919,052	-	1,919,052
Intergovernmental	12,028,944	1,587,588	13,616,532
Interest	136,391	113	136,504
Tuition and Fees	605,035	-	605,035
Rent	1,391	-	1,391
Extracurricular Activities	-	141,199	141,199
Gifts and Donations	-	42,310	42,310
Customer Sales and Services	-	223,036	223,036
Miscellaneous	181,979	49,839	231,818
<i>Total Revenues</i>	<u>17,885,383</u>	<u>2,434,100</u>	<u>20,319,483</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	8,955,768	725,939	9,681,707
Special	1,205,962	254,984	1,460,946
Vocational	502,342	-	502,342
Other	890,560	-	890,560
Support Services:			
Pupils	747,194	4,651	751,845
Instructional Staff	259,579	5,443	265,022
Board of Education	62,137	-	62,137
Administration	1,552,849	133,993	1,686,842
Fiscal	401,652	16,167	417,819
Operation and Maintenance of Plant	1,626,703	203,392	1,830,095
Pupil Transportation	1,215,580	-	1,215,580
Operation of Non-Instructional Services	-	631,684	631,684
Extracurricular Activities	192,354	151,035	343,389
Debt Service:			
Principal	-	145,000	145,000
Interest	-	140,985	140,985
<i>Total Expenditures</i>	<u>17,612,680</u>	<u>2,413,273</u>	<u>20,025,953</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>272,703</u>	<u>20,827</u>	<u>293,530</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	20,417	35,038	55,455
Transfers Out	(34,727)	(20,728)	(55,455)
<i>Total Other Financing Sources and Uses</i>	<u>(14,310)</u>	<u>14,310</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	258,393	35,137	293,530
<i>Fund Balances at Beginning of Year</i>	<u>2,592,738</u>	<u>1,718,252</u>	<u>4,310,990</u>
<i>Fund Balances at End of Year</i>	<u>\$ 2,851,131</u>	<u>\$ 1,753,389</u>	<u>\$ 4,604,520</u>

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$	293,530
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Asset Additions	115,624	
Current Year Depreciation	(910,230)	
Total		(794,606)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	(69,797)	
Intergovernmental	20,464	
Total		(49,333)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.

145,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in Compensated Absences	(93,812)	
Decrease in Interest Payable	335	
Total		(93,477)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

32,054

Net Change in Net Assets of Governmental Activities

\$ (466,832)

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
GENERAL FUND
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
RECEIPTS:				
Property Taxes	\$ 3,206,665	\$ 3,488,578	\$ 2,984,457	\$ (504,121)
	1,838,803	1,932,378	1,932,378	-
Intergovernmental	10,540,056	11,706,235	12,028,944	322,709
Interest	203,641	136,391	136,391	-
Tuition and Fees	450,950	605,035	605,035	-
	2,256	1,391	1,391	-
Miscellaneous	220,145	171,270	171,270	-
Total Receipts	<u>16,462,516</u>	<u>18,041,278</u>	<u>17,859,866</u>	<u>(181,412)</u>
DISBURSEMENTS:				
Current:				
Instruction:				
Regular	8,332,675	9,292,659	8,788,995	503,664
Special	1,254,875	1,250,343	1,202,342	48,001
Vocational	465,161	523,445	523,445	-
Other	703,872	890,513	890,513	-
Support Services:				
Pupils	931,359	751,815	736,815	15,000
Instructional Staff	239,896	260,138	248,138	12,000
Board of Education	109,301	110,789	105,789	5,000
Administration	1,501,240	1,600,710	1,558,134	42,576
Fiscal	414,543	409,024	408,532	492
Operation and Maintenance of Plant	1,878,699	1,905,128	1,895,127	10,001
Pupil Transportation	1,229,112	1,322,634	1,316,634	6,000
Extracurricular Activities	189,259	195,619	188,294	7,325
Total Disbursements	<u>17,249,992</u>	<u>18,512,817</u>	<u>17,862,758</u>	<u>650,059</u>
Excess of Receipts Over (Under) Disbursements	<u>(787,476)</u>	<u>(471,539)</u>	<u>(2,892)</u>	<u>468,647</u>
OTHER FINANCING SOURCES AND USES:				
Advances In	31,055	491,628	491,628	-
Advances Out	(154,927)	(638,821)	(635,321)	3,500
Transfers Out	(2,387)	(34,727)	(34,727)	-
Total Other Financing Sources and Uses	<u>(126,259)</u>	<u>(181,920)</u>	<u>(178,420)</u>	<u>3,500</u>
Net Change in Fund Balance	<u>(913,735)</u>	<u>(653,459)</u>	<u>(181,312)</u>	<u>472,147</u>
Fund Balance, July 1, 2007	2,076,476	2,076,476	2,076,476	-
Prior Year Encumbrances Appropriated	629,546	629,546	629,546	-
Fund Balance, June 30, 2008	<u>\$ 1,792,287</u>	<u>\$ 2,052,563</u>	<u>\$ 2,524,710</u>	<u>\$ 472,147</u>

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Fund Net Assets
Governmental Activities - Internal Service Fund
June 30, 2008

	<u>Internal Service</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 840,606
<i>Total Assets</i>	<u>840,606</u>
LIABILITIES:	
Claims Payable	<u>42,179</u>
<i>Total Liabilities</i>	<u>42,179</u>
NET ASSETS:	
Unrestricted	<u>798,427</u>
<i>Total Net Assets</i>	<u><u>\$ 798,427</u></u>

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2008

	Internal Service
OPERATING REVENUES:	
Charges for Services	\$ 247,851
<i>Total Operating Revenues</i>	247,851
OPERATING EXPENSES:	
Claims	220,673
Other	24,798
<i>Total Operating Expenses</i>	245,471
<i>Operating Income</i>	2,380
NON-OPERATING REVENUES:	
Interest	29,674
<i>Total Non-Operating Revenues</i>	29,674
<i>Net Change in Net Assets</i>	32,054
Net Assets at Beginning of Year	766,373
Net Assets at End of Year	\$ 798,427

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Cash Flows
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2008

	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 247,704
Cash Received from Other Operating Sources	147
Cash Payments for Claims	(203,667)
Cash Payments for Other Operating Uses	(24,798)
<i>Net Cash Provided by Operating Activities</i>	19,386
<i>Cash Flows from Investing Activities</i>	
Interest on Investments	29,674
<i>Net Increase in Cash and Cash Equivalents</i>	49,060
Cash and Cash Equivalents at Beginning of Year	791,546
Cash and Cash Equivalents at End of Year	\$ 840,606
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>	
Operating Income	\$ 2,380
<i>Changes in Liabilities:</i>	
Increase in Claims Payable	17,006
<i>Net Cash Provided by Operating Activities</i>	\$ 19,386

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust Funds	Agency Fund
	<u>Trust Funds</u>	<u>Agency Fund</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 1,019,928	\$ 149,743
Investments	<u>1,418,510</u>	<u>149,743</u>
Total Assets	<u>2,438,438</u>	
LIABILITIES:		
Undistributed Monies		<u>\$ 149,743</u>
NET ASSETS:		
Held in Trust for Scholarships	<u>2,438,438</u>	
Total Net Assets	<u>\$ 2,438,438</u>	

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2008

	<u>Private Purpose Trust Funds</u>
ADDITIONS:	
Gifts and Contributions	\$ 273,367
Investment Earnings	73,287
Increase in Fair Value of Investments	<u>1,480</u>
<i>Total Additions</i>	348,134
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	<u>97,824</u>
Change in Net Assets	250,310
Net Assets Beginning of Year - Restated - See Note 3	<u>2,188,128</u>
Net Assets End of Year	<u><u>\$ 2,438,438</u></u>

The notes to the basic financial statements are an integral part of this statement.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Greenfield Exempted Village Schools (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes the village of Greenfield, South Salem and Rainsboro. It is staffed by 96 non-certificated employees, 137 certificated full-time teaching personnel and 9 administrative employees who provide services to 2,296 students and other community members. The School District currently operates seven instructional buildings, one administrative/instructional building, four modular/administrative instructional buildings and one garage.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Greenfield Exempted Village School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The following organizations which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these organizations nor are they fiscally dependent on the School District:

- * Boosters Clubs
- * Parent Teacher Organizations

The School District is associated with two organizations which are defined as jointly governed organizations. These organizations are the South Central Ohio Computer Association, and the Great Oaks Institute of Technology. These organizations are presented in Note 15 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Greenfield Exempted Village Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation - Fund Accounting

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements:

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements:

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

B. Fund Accounting

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District's functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the School District's major governmental fund:

General Fund

The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

The other governmental funds of the School District account for grants and other resources, and capital projects, whose use is restricted to a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

Internal Service Fund

The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is used for employee excess costs not covered by United Healthcare

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The School District's fiduciary funds are agency funds and private purpose trust funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's agency funds are used to maintain financial activity of the School District's Student Managed Activities, and private purpose trust funds are used to maintain the financial activity of the School District's Scholarship Funds.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Measurement Focus (continued)

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for proprietary and fiduciary funds. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, tuition, grants, and fees.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

C. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the fund and object level and has the authority to allocate appropriations at the function and object level without resolution by the Board.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the first permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2008.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Encumbrances

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrance is not reported on the government-wide financial statements. Encumbrances are reported as part of expenditures on a Non-GAAP budgetary basis in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund.

D. Cash, Cash Equivalents, and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds, except for a portion of the Permanent Fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Cash Equivalents on the balance sheet.

During fiscal year 2008, the School District's investments were limited to funds invested in stocks.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents and Investments (continued)

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$136,391 and \$113 for all other governmental funds.

E. Capital Assets and Depreciation

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. The School District does not possess any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The District does not capitalize interest for capital asset purchases.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-25 years
Buildings and Improvements	20-50 years
Furniture and Equipment	5-15 years
Vehicles	3-15 years

F. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

G. Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The accrual amount is based upon accumulated sick leave and accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the School District's severance policy.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences (continued)

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employee will be paid.

H. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and proprietary fund statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term loans, and capital leases are recognized as a liability on the government-wide financial statements when due.

I. Fund Balance Reserves

The School District records reservations for portions of fund balance which are legally segregated for a specific future use or which are not available for appropriation. Unreserved undesignated fund balance represents that portion of fund balance reflected for Governmental Funds, which is available for use within the specific purpose of those funds. Fund balance reserves are established for encumbrances and property taxes.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes represent balances in special revenue funds for grants received which are restricted to their use by grantees.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide statement of net assets reports \$1,780,998 in restricted net assets, none of which is restricted by enabling legislation.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Interfund Transactions

Interfund transfers within governmental activities are eliminated in the statement of activities. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

NOTE 3 – RESTATEMENT OF NET ASSETS

The restated net assets amount for the private purpose trust funds was to correct the School District’s investments balance.

	<u>Private Purpose Trust</u>
Net Assets, June 30, 2007	\$ 1,764,930
Investments	<u>423,198</u>
Restated Net Assets, June 30, 2007	<u><u>\$ 2,188,128</u></u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

	Net Change in Fund Balance
GAAP Basis	\$ 227,267
Revenue Accruals	476,820
Expenditure Accruals	(238,488)
Encumbrances	<u>(646,911)</u>
Budget Basis	<u><u>\$ (181,312)</u></u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the School District lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the School District's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the School District's average portfolio.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Protection of the School Districts deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency of instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2008, the School District’s bank balance of \$7,896,219 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pools in the manner described above.

Investments At fiscal year end, the School District had the following investments and maturities:

	Carrying/Fair Value	Weighted Average Maturity (Years)
Common Stocks	\$ 1,418,510	<1 Year

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment to five years, unless matched to a specific obligation.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits their investments to stock and Certificates of Deposit. Investments in preferred stock should be rated “A” or better by Moody’s or S&P at the time of purchase. The common stock was not rated. The School District’s investment policy does not address credit risk beyond the requirements of the Ohio Revised Code.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. 100% of the School District’s investments are in common stocks. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

Custodial credit risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District’s securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District’s investment policy does not address custodial credit risk beyond the requirements of the Ohio Revised Code.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar year 2008 for real and public utility property taxes represents collections of calendar year 2007 taxes. Property tax payments received during calendar year 2008 for tangible personal property (other than public utility property) is for calendar year 2007 taxes.

2008 real property taxes are levied after April 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after April 1, 2007 and are collected in 2008 with real property taxes.

2008 tangible personal property taxes are levied after April 1, 2007, on the value as of December 31, 2006. Collections are made in 2008. Tangible personal property assessments are twelve and one-half percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Ohio House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces revenue lost by the School District due to the phasing out of the tax. In calendar years 2006 through 2010, the School District will be fully reimbursed at the level of calendar year 2004 assessed values for the lost revenue. In calendar years 2011 through 2017, the reimbursements will be phased out.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values upon which fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$153,219,150	92.47%	\$153,281,540	92.51%
Public Utility	7,430,800	4.48%	7,368,930	4.45%
Tangible Personal Property	5,047,912	3.05%	5,047,912	3.05%
Total Assessed Value	<u>\$165,697,862</u>	<u>100.00%</u>	<u>\$165,698,382</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$28.10		\$28.10	

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 - PROPERTY TAXES (continued)

The School District receives property taxes from Fayette, Highland and Ross Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2008 and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amounts available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2008, was \$148,209 in the General Fund, \$3,071 in the Classroom Facilities Non-major Special Revenue Fund, and \$16,283 in the Debt Service Non-major Debt Service Fund.

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2008, was as follows:

	Ending Balance 6/30/2007	Additions	Deletions	Ending Balance 6/30/2008
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 42,231	\$ -	\$ -	\$ 42,231
Total Capital Assets, Not Being Depreciated	42,231	-	-	42,231
Capital Assets Being Depreciated				
Land Improvements	556,618	-	-	556,618
Buildings and Improvements	33,587,738	-	-	33,587,738
Furniture and Equipment	3,709,548	37,749	-	3,747,297
Vehicles	1,662,999	77,875	-	1,740,874
Total Capital Assets Being Depreciated	39,516,903	115,624	-	39,632,527
Less: Accumulated Depreciation:				
Land Improvements	(375,775)	(20,271)	-	(396,046)
Buildings and Improvements	(8,595,005)	(763,223)	-	(9,358,228)
Furniture and Equipment	(3,079,398)	(81,527)	-	(3,160,925)
Vehicles	(1,172,861)	(45,209)	-	(1,218,070)
Total Accumulated Depreciation	(13,223,039)	(910,230)	-	(14,133,269)
Total Capital Assets Being Depreciated, Net	26,293,864	(794,606)	-	25,499,258
Governmental Capital Assets, Net	\$ 26,336,095	\$ (794,606)	\$ -	\$ 25,541,489

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 7 - CAPITAL ASSETS (continued)

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$847,854
Special Instruction	258
Vocational Instruction	1,427
Support Services:	
Instructional Staff	206
Administration	201
Operation and Maintenance of Plant	21,016
Pupil Transportation	13,479
Operation of Non-Instructional Services	25,789
Total Depreciation Expense	\$910,230

NOTE 8 - RECEIVABLES

Receivables at June 30, 2008, consisted of taxes, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

Non-Major Special Revenue Funds:	<u>Amount</u>
Title VI	\$ 155,009
Title I	129,676
Title V	2,403
Drug Free	838
Early Childhood	720
Improving Teacher Quality	37,254
Federal Programs	2,721
Total Non-Major Special Revenue Funds	328,621
Total All Funds	\$ 328,621

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District contracted with Indiana Insurance for professional and general liability insurance, fleet insurance and property insurance. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$66,821,162
Inland Marine Coverage (\$1,000 deductible)	2,000,000
Boiler & Machinery (\$1,000 deductible)	No Limit
Automobile Liability	1,000,000
Uninsured Motorists	250,000
General Liability	
Per occurrence	1,000,000
Total per year	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

Through September 2005, medical/surgical and prescription insurance was offered to employees through a self-insurance internal service fund. Wesbanco administered claims for the District.

As of October 2005, the School District contracted with United Healthcare to provide medical/surgical and prescription insurance coverage to its employees and their families. The School District continued to self-insure employee excess costs not covered by United Healthcare. The claims liability of \$42,179 reported in the Internal Service fund at June 30, 2008 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of cost relating to incurred but not reported claims, be reported.

Changes in claims activity for the past two fiscal years are as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2007	\$ 131,468	\$ -	\$ 106,295	\$ 25,173
2008	25,173	220,673	203,667	42,179

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 -DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under *Forms and Publications*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$281,250, \$250,291, and \$236,103, respectively; 58% has been contributed for fiscal year 2008 and 100% for the fiscal years 2007 and 2006. \$117,630 represents the unpaid contribution for fiscal year 2008.

State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 -DEFINED BENEFIT PENSION PLANS (continued)

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the fiscal year ended June 30, 2008, 2007, and 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS Ohio, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,054,340, \$1,007,285, and \$1,031,039, respectively; 85% has been contributed for the fiscal year 2008 and 100% for the fiscal year 2007 and 2006. \$158,277 represents the unpaid contribution for fiscal year 2008 and is recorded as a liability within the respective funds.

STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2008, one member of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Financial Annual Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2008, 2007 and 2006. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$81,436, \$83,489, and \$77,781 for fiscal year 2008, 2007, and 2006, respectively.

In addition to a cost-sharing, multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two post employment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2008 was \$96.40; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2008, 2007, and 2006, the actuarially required allocation was 0.66 percent, .68 percent, and .78 percent. For the School District, contributions for the years ended June 30, 2008, 2007, and 2006, were \$19,448, \$21,879, and \$23,982, which equaled the required contributions for the year.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2008, 2007, and 2006, the health care allocations were 4.18 percent, 3.32 percent, and 3.42 percent, respectively. The actuarially required contribution (ARC), as of the June 30, 2008 annual valuation was 13.41 percent of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2008, 2007, and 2006 fiscal years equaled \$143,332, \$83,489, and \$77,538, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2008, the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS website at www.ohsers.org under *Forms and Publications*.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 30 days for all personnel.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through AIG.

C. Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 13 - LONG-TERM LIABILITIES

The changes in the School Districts long-term liabilities during fiscal year 2008 were as follows:

	Principal Outstanding 6/30/2007	Additions	Deletions	Principal Outstanding 6/30/2008	Due in One Year
General Obligation Bonds:					
1998 School Improvement 4.99%	\$ 2,845,000	\$ -	\$ 145,000	\$ 2,700,000	\$ 150,000
Compensated Absences	1,447,749	1,541,561	1,447,749	1,541,561	60,262
Total Long-Term Liabilities	<u>\$ 4,292,749</u>	<u>\$ 1,541,561</u>	<u>\$ 1,592,749</u>	<u>\$ 4,241,561</u>	<u>\$ 210,262</u>

On July 27, 1998, the School District issued long-term general obligation bonds in the amount of \$3,999,100, as a result of the School District being approved for a \$19,699,000 school facilities loan through the State Department of Education for the construction of an education complex. The 4.99% bonds will be retired in December, 2020. As a requirement of the loans, the School District was required to pass a 3.02 mill levy. The 3.02 mill levy, of which .5 mill was to be used for the retirement of the loan, with the balance of 2.52 mills to be used for the retirement of the long-term bonds issued, will be in effect for twenty-three years. The general obligation bonds are being repaid from the debt service fund.

The School District has been notified by the Ohio School Facilities Commission that they will not be responsible for repaying the \$19,699,000 classroom facilities loan to the State because the School District's adjusted valuation per pupil was less than the state-wide median adjusted valuation per pupil. In lieu of the repayment, the School District must set aside the funds that would have been used for repayment for facilities maintenance. As part of this process, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expires. If the School District's adjusted valuation per pupil increases above the state-wide median adjusted valuation during the twenty-three year period, the School District may become responsible for repayment of a portion of the State's contribution.

Compensated absences will be paid from the fund from which the employees' salaries are paid, with the general fund being the most significant fund. The School District's overall legal debt margin was \$12,212,854 with an unvoted debt margin of \$165,698 at June 30, 2008. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2008, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$150,000	\$134,420	\$284,420
2010	160,000	127,405	287,405
2011	165,000	119,269	284,269
2012	175,000	110,005	285,005
2013	185,000	100,194	285,194
2014-2018	1,080,000	338,726	1,418,726
2019-2021	785,000	60,124	845,124
Totals	<u>\$ 2,700,000</u>	<u>\$ 990,143</u>	<u>\$ 3,690,143</u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 - INTERFUND ACTIVITY

Interfund Payables/Receivables

As of June 30, 2008, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivable	Interfund Payable
Major Fund:		
General Fund	\$ 704,405	\$ -
Special Revenue Funds, Non-Major:		
Food Service	-	185,366
Adult Education	-	100
Termination of Benefits	-	50,000
District Managed Activities	-	8,000
Schoolnet	-	95
Title VI	-	150,285
Title I	-	87,143
Chapter Two	-	3,040
Drug Free	-	5,445
Preschool	-	6,930
Improving Teacher Quality	-	45,280
Federal Programs	-	2,721
Total Special Revenue Funds	-	544,405
Capital Projects Funds, Non-Major:		
Permanent Improvement	-	60,000
Swimming Pool Repair Fund	-	100,000
Total Capital Projects Funds	-	160,000
Totals	\$ 704,405	\$ 704,405

During the year, the District's General fund made advances to other funds in anticipation of intergovernmental grant revenue.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 - INTERFUND ACTIVITY (continued)

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from other funds to the general fund were made to correct cash balances from a previous fiscal year.

As of June 30, 2008 transfers that resulted from various interfund transactions were as follows:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Fund:		
General Fund	\$ 34,727	\$ 20,417
Non-Major Special Revenue Fund		
Title I	-	29,727
Title II	8,206	-
Drug Free and Safe Schools	4,497	-
Improving Teacher Quality	8,025	-
Miscellaneous Federal Grants	-	311
Non-Major Capital Projects Fund		
Permanent Improvement	-	5,000
Total Non-Major Funds	20,728	35,038
Total All Funds	\$ 55,455	\$ 55,455

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county, elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter school districts, and one representative from the fiscal agent. Financial information can be obtained from their fiscal agent, the Pike County Career Technology Center, at P. O. Box 577, 23365 St. Rt. 124, Piketon, Ohio 45661.

Great Oaks Institute of Technology - The Great Oaks Institute of Technology is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts elected boards, which possesses its own budgetary and taxing authority. To obtain financial information write to the Great Oaks Institute of Technology, at 3254 East Kemper Road, Cincinnati, Ohio 45241-1581.

NOTE 16 - SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in restricted cash at year-end and carried forward to be used for the same purposes in future years.

The following information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 16 - SET-ASIDE CALCULATIONS AND FUND RESERVES (continued)

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-Aside Reserve Balance as of June 30, 2007	\$ -	\$ -
Current Year Set-Aside Requirement	359,516	359,516
Current Year Offsets	-	(596,101)
Prior Year Carryover	(789,041)	-
Qualifying Disbursements	<u>(331,124)</u>	<u>-</u>
Set-Aside Reerve Balance Carried Forward to Future Fiscal Years	<u>(760,649)</u>	<u>(236,585)</u>
Set-Aside Reserve Balance as of June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The School District had offset and qualifying disbursements during the year that reduced the set-aside amounts below zero in the Textbooks and Capital Acquisition Reserves. The extra amount for the Textbooks reserve may be carried forward and be used to reduce the set-aside requirements of future years.

NOTE 17 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

B. Litigation

The School District is not party to legal proceedings.

NOTE 18 – ACCOUNTABILITY

Accountability - Fund Balance Deficits

At June 30, 2008, the Food Service and School Net Special Revenue Funds had fund balance deficits of \$127,133 and \$95, respectively which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 19 – INCOME TAX

The School District levies a voted tax of one and one-quarter percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2004, and will continue for five years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLES

For the fiscal year 2008, the School District implemented GASB Statement No. 50, “Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27, and GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. GASB Statement No. 45 establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The application of these new standards did not require a restatement of prior year balances.

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

Schedule of Federal Awards Expenditures

For the Fiscal Year Ended June 30, 2008

Federal Grantor / Pass Through Grantor / Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed Through Ohio Department of Education:</i>				
<i>Nutrition Cluster:</i>				
School Breakfast Program	05-PU	10.553	70,406	70,406
National School Lunch Program	LL-P4	10.555	357,055	357,055
Total Nutrition Cluster			<u>427,461</u>	<u>427,461</u>
Total U.S. Department of Agriculture			427,461	427,461
<u>U.S. Department of Education</u>				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	C1-S1	84.010	235,484	235,484
<i>Special Education Cluster:</i>				
Special Education - Grants to States	6B-SF	84.027	382,683	382,683
Special Education - Preschool Grants	PG-S1	84.173	6,930	6,930
<i>Passed Through Southern Ohio Educational Service Center:</i>				
Special Education - Grants to States	N/A	84.027	0	52,958
Total Special Education Cluster			<u>389,613</u>	<u>442,571</u>
Safe and Drug-Free Schools and Communities	DR-S1	84.186	7,538	7,538
Innovative Educational Program Strategies	C2-S1	84.298	3,377	3,377
Education Technology State Grants	TJ-S1	84.318	307	307
Improving Teacher Quality	TR-S1	84.367	76,166	76,166
<i>Passed Through The Great Oaks Institute of Technology and Career Development</i>				
Vocational Education Basic Grant	NA	84.048	9,416	9,416
Total U.S. Department of Education			<u>721,901</u>	<u>774,859</u>
Total Federal Financial Assistance			<u>1,149,362</u>	<u>1,202,320</u>

Note 1 - Noncash Federal Financial Assistance

During the year ended June 30, 2008, the District received \$79,604 and used \$79,604 in fair value inventory under the Food Distribution (Commodities) Program, Federal CFDA Number 10.550, that is not reported in the above schedule. At June 30, 2008, the District had no significant food commodities inventory.

Note 2 - Significant Accounting Policies

The District prepares its Schedule of Federal Awards Expenditures on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Independent Accountant's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

Board of Education
Greenfield Exempted Village School District
200 North Fifth Street
Greenfield, Ohio 45123

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings and questioned costs to be significant deficiency in internal control over financial reporting. This item has been identified in the accompanying schedule of findings and questioned costs as item 2008-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Board of Education
Greenfield Exempted Village School District
Independent Accountant's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, for the significant deficiency described above, we believe this finding is also a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2008-002.

The District's written responses to the findings identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

March 23, 2009

**Independent Accountant's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133**

Board of Education
Greenfield Exempted Village School District
200 North Fifth Street
Greenfield, Ohio 45123

Compliance

We have audited the compliance of Greenfield Exempted Village School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2008. The summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are apply to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

Board of Education
Greenfield Exempted Village School District
Independent Accountant's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

March 23, 2009

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. Type of Financial Statement Opinion	Unqualified
2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	Yes
3. Were there any other significant internal control deficiencies reported at the financial statement level (GAGAS)?	No
4. Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
5. Were there any material internal control weaknesses reported for major federal programs?	No
6. Were there any other reportable internal control weaknesses reported for major federal programs?	No
7. Type of Major Programs' Compliance Opinion	Unqualified
8. Are there any reportable findings under § .510?	No
9. Major Programs (list):	Title I Grant; CFDA # 84.010 Nutrition Cluster; CFDA #10.553 and 10.555
10. Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Other Programs
11. Low Risk Auditee?	No

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2008

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2008-001

Significant Deficiency/Material Weakness

Rule 117-2-01 (A) and 117-2-01 (B)(1) of the Ohio Administrative Code directs all public offices to design and operate a system of internal control that is adequate to provide reasonable assurance regarding the reliability of financial reporting.

Sound financial reporting is the responsibility of the Treasurer and the Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The District made a prior period adjustment to correct undervalued investments that resulted in a restatement of the beginning fund balances in the private purpose trust fund for the reporting period ended June 30, 2008. The necessity for the District to make this correction indicates a significant deficiency in the design of the internal control system over the reliability of financial reporting.

The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the District review their internal controls over financial reporting and take the necessary steps to strengthen these controls in an effort to help ensure the information accurately reflects the activity of the District and thereby increasing the reliability of the financial data throughout the year.

Officials' Response

The District will work more closely with the consultant to correctly state the value of the Districts investments in the Private Purpose Trust Fund.

Finding Number 2008-002

Noncompliance Citation - Filing of Financial Report

Ohio Admin. Code Section 117-2-03(B) requires school districts to report annually on a GAAP basis. Ohio Rev. Code Section 117.38 requires GAAP - basis entities to file annual reports within 150 days of their fiscal year end.

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2008

The financial statements were not completed or filed in a timely fashion causing the audit to be late and the information contained in the audit to be outdated. This was due to the failure of the District and the consultant to enter into a contract for the conversion of the financial statements to GAAP in a timely manner.

We recommend that the District and the consultant strive for more timeliness and completeness in the information that is provided. This will promote accuracy and completeness in the information contained in the financial statements and timeliness in the completion of both the financial statements prepared by the consultant and the audit of the financial statements.

Officials' Response

The District will work more closely with the consultant to complete and file the financial statements in a timely fashion.

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

*Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2008*

Finding Number	Description	Status	Comments
	<i>Government Auditing Standards:</i>		
2007-001	The District had internal control deficiencies that led to misstatements in the financial statements which required audit adjustments.	Partially Corrected	Reissued as 2008-001

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

Corrective Action Plan

For the Year Ended June 30, 2008

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2008-001	The District plans to work with the consultant more closely to correctly state the value of the investments in the Private Purpose Trust Fund.	Immediate	Joseph P. Smith, Treasurer
2008-002	The District plans to work with the consultant more closely to complete and file the financial statements in a timely fashion.	Immediate	Joseph P. Smith, Treasurer



Mary Taylor, CPA
Auditor of State

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 7, 2009